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BY FAX

May 7, 1997

Mr. Phil Hogen, Commissioner
National Indian Gaming Commission
1441 L Street NW
Washington, DC 20005

Re: St. Regis Mohawk Tribe

Dear Commissioner Hogen:

On behalf of Ivan Kaufman and myself, I want to express our appreciation for the opportunity to meet with you and members of the Commission staff on last Tuesday. We appreciate your personal involvement in this matter because it was evident from our perspective that a meeting involving all of the participants in this project was necessary for meaningful progress to be made. For each of those attending to be able to express his or her views with candor should enable us to move rapidly toward our common goal, the opening of the casino on the St. Regis Mohawk reservation.

During the meeting various members of your staff communicated a list of items that the Commission believes must be provided before approval of the Management Agreement can be granted. My experience with meetings such as this tells me that people may leave with differing perceptions as to what was being said. To assure that we are all on the same track, I am taking the liberty of listing below what I understand to be the items being requested.

1. A copy of the final buyout agreement between Massena Management, LLC and Native American Management Corp. Such agreements reflect that Gary Melius has no interest in the President R.C. St. Regis Management Company or in the Management Agreement. The original draft of this agreement has been reviewed by the NIGC.

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2. A reconciliation of the Development Expenses. We provided to you Tribal Council Resolution No. 97-22, which approved Development Expenses reimbursable by the Tribe.
3. An updated three-year business plan approved by the Tribe and the Manager which adjusts the existing business plan to be consistent with the Management Agreement.
4. A new director of the President Riverboat Casinos, Inc. would have to submit to a background investigation. It is my understanding from Elaine Trimble that the new director is Royal P. Walker, Jr.
5. A new resolution from the Tribe approving the Management Agreement reflecting that the Management Agreement includes the Land Agreement, i.e., the sale of the Route 37 Access Property to the Tribe.
6. The Commission is looking to receive the SEC filings of President Riverboat Casinos, Inc. in order to update the financials.
7. A term sheet indicating the details of any financing to be provided.

I would appreciate hearing from you or any member of the staff if there is a misconception to any of the items above. It will be in all of our best interests to be able to move on them as quickly as possible.

I would like to take this opportunity to reemphasize the importance of the completion of the investigation of Ivan Kaufman. As I indicated Wednesday, we first submitted Ivan's background investigation on October 21, 1996, along with required deposit. On October 24th, John Manis called me to indicate that a new form was being used because Office of Personnel Management was now performing background investigation; he stated that this would expedite the process and agreed to send me the new forms. When I did not receive the new form within the next few days, I called to request them. When we did receive them, we submitted the full form on November 13, 1996. We additionally sent the background information forms for Massena Management, LLC and Massena Management Corp. on November 18, 1996, along with an additional \$10,000 deposit. In early January of 1997, the investigator for the Office of Personnel Management was in our office interviewing Ivan Kaufman and several others in the office. Over the next couple of days he interviewed neighbors and business acquaintances. I was assured by the investigator that his report would be submitted by the middle of January.

While I made several calls to various people at the NIGC to determine the progress of the investigation, I was not informed until February 27, 1997 that details concerning the individual stock holdings of Ivan Kaufman needed to be provided along with Mr. Kaufman's tax returns for the years 1993-1995. These were returned with my cover letter

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dated March 12, 1997, with a strong request that we be informed of any details that may be lacking so that we can provide them immediately. There has been no additional request. Since that date, I have called John Manis on several occasions trying to determine the status. All I have been told is that things are moving along and they take time because there's a shortage of personnel. When I asked if there is any additional information to be supplied, I was told not at this time, but more may be requested as the investigation progresses.

The bottom line to this is that Mr. Kaufman is being asked to move forward to provide financing and to make commitments that require him to use his reputation and business acumen. He is effectively being asked to deal with lending institutions and get commitments from them even though, after seven months of investigation, he has not even received approval from the NIGC to participate in this transaction. While we strongly believe that there could be no reasonable basis for him not being approved, he is being placed in an untenable position. To date, he has put time, effort and money into this transaction without a single return. It is not reasonable to ask him to proceed or even to expect that he can attain such things as financial commitments from other parties without his certainty of approval.

We remain ready, willing and able to provide whatever information may be necessary to move this process along. I request that if there are issues that remain unresolved in addition to the above listing, they immediately be communicated to me and to all those involved so that any further delay can be avoided.

Very truly yours,

Leathen K. Hogen

cc: Dexter Lehtinen, Esq.
Tom Ferguson, Esq.
Alma Ransom
Paul Thompson
Hilda Smoke
Rick Hamlin

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